

**Subpart A—Negotiation of Intergovernmental Agreements for Financing Federal Assistance Programs—Interest Liabilities on Intergovernmental Funds Transfers**

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APPENDIX A TO SUBPART A OF PART 205—DEFINITION OF MAJOR FEDERAL ASSISTANCE PROGRAM

**Subpart B—Potential Liabilities on Intergovernmental Funds Transfers Included in the Catalog of Federal Domestic Assistance but Otherwise Generally Excluded From Subpart A**

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**Subpart C [Reserved]**

AUTHORITY: 5 U.S.C. 301; 31 U.S.C. 321, 3335, 6501, 6503.

SOURCE: 57 FR 60676, Dec. 21, 1992, unless otherwise noted.

**§ 205.1 Purpose.**

Subparts A and B of this part implement the Cash Management Improvement Act and prescribe rules and procedures for the transfer of funds between the Federal Government and the States for Federal grant and other programs. Subpart C of this part is reserved and, if issued, may implement other authorities and govern transactions outside the scope of subparts A and B.

**§ 205.2 Scope of part.**

(a) Subparts A and B apply to programs listed in the Catalog of Federal Domestic Assistance, Pursuant to

chapter 61 of title 31, United States Code.

(b) This part does not generally apply to direct loan programs.

(c) This part does not apply to payments made to States acting as vendors on Federal contracts, which are subject to the Prompt Payment Act of 1982, as amended, 31 U.S.C. 3901 *et seq.*, Office of Management and Budget (OMB) Circular A-125 “Prompt Payment,” and 48 CFR part 32.

(d) This part does not apply to the Tennessee Valley Authority (TVA) or programs administered by the TVA.

**§ 205.3 Definitions.**

For the purpose of this part:

*Administrative cost grant* means a grant exclusively for administrative expenses under a program with separate grant awards for benefit payments and administrative expenses.

*Auditable* means the sources of data and information for a calculation are readily available, fully documented, and verifiable, such that the calculation can be replicated and proven to comply with all pertinent standards.

*Authorized State official* means a person with the authority under the laws of a State to make commitments on behalf of the State for the purposes of this regulation, or that person’s official designee as certified in writing.

*Check* means a negotiable demand draft or warrant.

*Clearance pattern* means a frequency distribution showing the proportion of a total amount disbursed that is debited against the payor’s bank account each day after the disbursement.

*Current project cost* means a cost for which the liability has been recorded on or after the day on which a State last requested funds for the project.

*Day* means a calendar day unless otherwise specified.

*Disburse* means to issue a check or initiate an electronic funds transfer payment.

*Discretionary grant project* means a project for which a Federal agency is statutorily authorized to exercise judgment in awarding a grant and in selecting a grantee, generally through a competitive process.